

# ABOUT CREDIT QUIZ ANSWERS

1. A disadvantage of using credit is impulse buying.  
☐ True
2. Capital refers to a person's assets.  
☐ True
3. A steady employment record helps a person's credit history.  
☐ True
4. Installment credit usually allows a person to make additional purchases on an account.  
☐ False
5. Using the 20-10 rule, a person making \$30,000 a year should have no more than \$8,000 in outstanding debt.  
☐ False
6. A common advantage of using credit is:  
☐ ability to obtain needed items now.
7. A person's regular income is referred to as:  
☐ capacity.
8. To build a credit history, a person could:  
☐ establish a steady employment record.
9. Utility companies and medical service organizations commonly offer (fill in the blank) credit.  
☐ single-payment
10. Using the 20-10 rule, a person earning \$1,500 a month should not have monthly credit payments that exceed:  
☐ \$300